

**Excerpt from the
Monday, October 21, 2002
CITY PLANNING COMMISSION
MINUTES
220 City Hall
Minneapolis, Minnesota 55415
4:30 p.m.**

9. **1033 East Franklin Avenue (6th Ward - BZZ-770, Rezoning)**

Application by Project for Pride in Living for a rezoning from R2B to C2 to allow a 5-car surface parking lot serving the proposed development which includes renovation of a two-story office building. This item was continued at the September 9 and October 7, 2002 meetings. (Staff, Gary Dorek)

Gary Dorek presented the staff report. He noted that staff had just received a letter from Ventura Village regarding the property proposed for rezoning at 2012 11th Avenue South. He spoke with Edie Oates at MCDA prior to the meeting. The project was rezoning a small residentially zoned R2B property at the rear of their building for a five car parking lot. From what MCDA indicated, they were not intending to sell that property to PPL, but to the owner of the residential lot at 2018, from which it was originally divided. The lot as it exists divided into two parcels, would not be allowed under the current land subdivision regulations which were passed in 1966. What was done was allowed when they did it, but wouldn't be allowed now. It was a 2,800 square foot parcel only useable as side yard for the existing residential property adjacent to it. It could be rezoned and used for parking, but with the current zoning it was only suitable for side yard development. He completed the staff report.

The public hearing was opened.

Jim Schebel, Executive Director of PPL, stated that this application represented a move that was very important to PPL and it affected their ability to continue to improve services. PPL needed a single, central site so that their housing services, support services and other small programs could work together better and more efficiently. It was also very important to them that they stay in the Phillips Neighborhood. That was where PPL started and they wanted to continued to improve Phillips and other inner-city neighborhoods. This would help them improve their services and help people better understand and use the full range of services at PPL. Handicapped accessibility was very important. Their three current buildings, on Chicago and one on Chicago and Franklin were not handicapped accessible which was a problem. The vacant building at 1033 East Franklin was a good fit for their needs. They wanted to rehab it to make it accessible, unified office space in the heart of their service area. They would do a complete rehabilitation and 70 employees would move to that site. The parking problem for the building had been a long term issue. It had been difficult for the American Indian Business Development Corporation, AIBDC, to rehab, sell or rent because of the parking situation. The Director of AIBDC would address that issue. They had spent a lot of time looking for the right space and a building. If they did not believe that they could adequately address parking for their employees and guests and people that they served,

they would not be looking at this space. They had spent their energy coming up with solutions to the practical parking needs. The variance represented a technical solution to the parking needs. The reality was that there was a certain amount of underused space and surface parking in the area. Their approach was to investigate possibilities for shared parking arrangements to meet their needs. Currently in their buildings they had 68 parking spaces and not all of the employees would be moving to the new location. This accommodated well their current needs for visitors, guests and employees, they were currently using 68 spaces. To help meet the needs, PPL proposed purchasing the city-owned half lot behind the building. They would primarily like to use that for handicapped and visitor parking which would provide five parking spaces. It was important to know that they were working with Trinity First Evangelical Lutheran Church on a parking agreement, right across the street from the site. The conversations were proceeding slowly, but in a very positive manner. They had sent a letter confirming this which had been shared with staff. It would give them 17 parking spaces to share which would be located within 500 feet of the building. Abbott Northwestern Hospital had sent a letter confirming an agreement to enter into a lease agreement for 30 parking spaces in their parking facility. They currently owned a van and would use a van to shuttle employees. As an employer, there were ways for them to control and monitor that their employees parking in the designated areas. They were continuing to pursue other shared parking options in underused lots with neighborhood businesses and organizations, but anticipated that those would be outside the 1,000 foot perimeter zoning requirement that the Commission was looking at. That was why they were asking for the technical amendment. In reference to the specific findings of the staff report on the application, they believed there were different perspectives on their application. The perspective of technical calculations or the perspective of what they saw as practical use in the area. On finding number two of the rezoning application, the question was whether the action would be in the public interest or solely in the interest of a single property owner. Given that there was no off-street parking for this building now, it would seem to be in the public interest of anyone redeveloping this building to provide off-street parking for at least handicapped visitors. No matter what the use was it seemed that was a public use for the parking. There was no other way to safely accommodate handicapped visitors. This property had been vacant for years attracting trash, refuse and criminal activity behind the building. They believed they would be a positive asset to the development on Franklin. On finding number three which addressed the surrounding property, the parcel was bounded on two sides by R2B zoning and on the other two sides, by C2 zoning. Looking to the South there was residential property. Looking to the East, there is a commercial building and property. It seemed that the Commission could support a conclusion either way to support residential or commercial zoning. If you look at the lot, it would be looking at another parking lot and commercial. It was very much connected with the building and could be easily connected with the commercial property on 11th and Franklin. Given the importance of the parking he had described to accommodate all public visitors to the commercial property, they believed that was a compelling reason to rezone the parcel to support redevelopment of the commercial property. On findings one and two in the variance request, they request the Commission to consider that the staff report findings were based on technical formula, not on the actual parking needs and how and whoever redeveloped this building would provide parking. The building had zero parking now and any redevelopment must include creative and practical solutions to parking needs for the building to be useable. The

grandfathered “ghost” parking spaces were not the solution for the parking needs for this building. On finding number three, they believed that the alternative parking solutions they were pursuing were in close keeping with the spirit and the intent of the ordinance and would bring a building back into service which had been vacant for several years. The spirit and intent of the ordinance and of PPL’s approach to the redevelopment plans for this building was to accommodate commercial parking in such a way as to limit the negative impact on the neighborhood. They had gone door to door and wanted to communicate with the neighbors and spoke with residents in and around Ventura Village. From the conversations, they knew that almost 100 Ventura Village residents in the immediate area and another 13 businesses or organizations supported their plans. They made sure to talk with as many of the businesses as possible that were in Ancient Traders which was the building just East of their proposed building. They talked with the Franklin Shopping Center and Ancient Traders building owners because the construction during the summer had been a big concern. After talking with 90% (of the owners), over 90% supported their plans. There were a number of people attending who supported their plans and efforts. PPL would like to continue their commitment and presence in the surrounding neighborhoods. They had invested over \$12 million in Ventura Village and over \$20 million in the surrounding areas. They wanted to continue that involvement and be a part of Ventura Village and Phillips and this neighborhood.

Jim Graham, 2101 10th Av. S, Ventura Village, stated that he was surprised that Mr. Schebel presented to the Commission that 90% of the businesses support this. In fact, the City County Credit Union appeared at their meeting when this was brought to the neighborhood and voted against it. CES, a social service agency voted against it. He was surprised because this was the only proposal in his memory that had a unanimous vote to oppose it. Not one vote at the Ventura Village meeting, where it was advertised and they were required to do flyering, not one person voted for this. That unanimous vote was because it was viewed as negative to the neighborhood. They thought that projecting business and a parking lot into a residential area was bad. They felt that the site allowed for business development that was grandfathered in that would be commensurate with the community planning that had gone on. They felt that any additional parking would be bad. They had alternatives. Mr. Schebel said that they wanted to remain in the Phillips neighborhood, they suggested that they look on Lake Street for alternatives. They also owned property at the corner of Chicago and Franklin. At that corner they had a building that was not occupied on the lower floors that they could use for office space and where they now had parking. They could use that alternative if they wished. The neighborhood as a whole, could not support this additional amount of parking because for example the AIBDC was starting to be viable and that parking lot was full. They didn’t think that the spin off would be viable. Then there was the proposition of van-pooling people to and from work. If you have 70 employees that want to get to work and some of them are late, where are they going to park? They are going to park on the city streets. They can say that they could park six or eight blocks away, but where are they actually going to park? They are going to park on the city streets. They didn’t think that was an option. They thought that the degree of opposition that the neighborhood had to PPL was for that reason. There was the presentation of Mr. Schebel that they would improve crime problems that now were occurring behind that building. Similar crime problems were occurring behind their shopping center on the corner of Chicago and Franklin and he hadn’t seen those problems addressed. They didn’t think this was an option and did not think that they would be the

answer to those crime problems. The number one problem with what they proposed was that it simply did not meet with what the neighborhood had planned to have for Franklin Avenue. Regarding their proposal to use Trinity Lutheran Church, they said that they were continuing to have negotiations and he believed they were, but they were going nowhere. The parking lot that they proposed would be on Franklin Avenue and adjacent to a school, Trinity School. Many members of Trinity School were in agreement, as well as people who work at Trinity are part of the people who live in Ventura Village and voted against this project. He wanted to emphasize that he did not remember a project that didn't receive at least one vote in support, this project received no votes in support and had unanimous opposition from residents, business owners and social service agencies that one would anticipate supporting it if it were a viable project.

Maureen Benson, 18th and 10th Av., indicated that nobody asked her how she felt about this and she just rented a place in 1113 East Franklin, the Ancient Traders building across the street from where they were trying to do this. They said that there was unused parking there and she was only able to find one or two spots to park in when she went there during the day. On weekends or after 5:00, there may be lots of parking, but there was not underused parking in that lot. If she had clients come in, they needed a place to park too. She was against changing the variance for that. She felt PPL was overextended in the Phillips area and Ventura Village. They could not manage the properties that they currently had. They had property managers who didn't keep files with neighbors complaints. They tried to paint her side of the fence every year and it shouldn't be painted, so she called and asked why they didn't have a file from the previous year when they tried to do that, they didn't keep files. They didn't have enough people working at PPL to handle the properties that they currently had and she didn't think they should get anymore in Ventura Village or Phillips.

Bob VanZandt, 1113 E Franklin, Chair of the Franklin Business Association, stated that he moved into the Ancient Traders Market building when it was still under construction and the parking problem wasn't there because all of the people that they didn't want in the parking lot were doing business in the parking lot. He had gone through the construction and the parking problems and wanted to say that he was thrilled to see that the businesses on Franklin Avenue were being used by a lot of people which created parking problems. As Chair of the Franklin Avenue Business Association and part of the goals of that association was to develop and advance business properties, which meant people. Becky(?) asked what his opinion was on this. and a vacant building did not attract new people to put businesses in or new people to shop on Franklin Avenue. They had to have those building occupied and if it was by people with the reputation and the goals and the desires as he understood PPL, those people were going to shop, those people were going to use their restaurants and retail outlets and those people parking in the neighborhoods were a lot better than some of the people who parked in the neighborhoods now in the vacant spots. There were a lot of technicalities to the decision, but he would say that they were thankful to see the development they saw as recapturing, taking over again and owning Franklin Avenue, and vacant buildings would not enhance that.

Theresa Carr, Executive Director of American Indian Business Development Corporation (AIBDC), noted that the parking issues that a couple of people had raised was a very temporary parking problem. A three block area was under construction all summer from 11th to 14th and at any given time, over half that area had been under construction and people were unable to park there. It was a very temporary situation. There was far more parking than they actually needed. This was a property that AIBDC had owned for about three years. They had worked on about four different architectural designs for it and talked to many retailers and potential business owners about occupying it. They developed real estate on Franklin Avenue and felt they had made a very strong effort to find a tenant. What they had come to over and over again was that the success of any retail business in Minnesota and its proximity to parking were linked hand in hand. All of the business owners that they had talked to when they saw the lack of parking around the space were not interested in going any further. They were at a stand still with this project at the same time that PPL had given up looking for a site in Phillips and was starting to look outside the neighborhood. Yes, Franklin Avenue was doing a lot better. Have they turned the corner? She didn't know, but she knew several of the businesses hadn't broken even yet. They needed warm bodies on Franklin Avenue that were going to be there every day and shop in the stores and eat in the restaurants, buy coffee, prescription drugs and 70 new employees at PPL would do that. If this variance was not approved, AIBDC would still be stuck with an empty, vacant, boarded building and would still have the same issue. She would like to hope that they would find as wonderful of a tenant as PPL, but she doubted it.

Spolinsky Jacox, 1018 21st St E, stated that her property was right next to the lot that they were wanting to switch to the parking lot. She tried to purchase that property from MCDA about five years ago and was told by Edie Oates that she could not own an L-shaped parking lot. She tried to purchase it because of the amount of illegal activity that was constantly going on there. Ultimately, she ended up putting up a six foot cedar fence around her property to try to hide what was going on. Every summer there was a lot of loitering and illegal activity. She was a member of Ventura Village and must not have attended the meeting when they discussed this because she was for this project. She would love to see a parking lot there. She was sick and tired of seeing trash and people hanging out there selling drugs, drinking, bottles and the loitering that went on there. They needed to get tenants in that property and if providing the parking would do it, then she was for it and thought they should agree with the variance.

Morris Manning, Property Director for PPL, commented that there was lease space at 1925 Chicago Avenue that was referred to as alternative space, however in total those two spaces were less than 5,000 square feet. It was not an alternative. Secondly, there was an issue referred to related to the manner in which they handled the security at PPL Crossings. He hadn't been there long enough to know the old history on the property, but he did know if Mr. Graham would care to visit, he would find that they had armed security on that property and that the property did not have the same look and feel that it might have had in earlier time. That same security was also being provided at all of their other buildings in the area. If they were able to acquire this property, they would extend that security at the 1033 facility.

Raho Warsame, PPL employee, stated that she managed 93 units in South Minneapolis. She helped take care of the residential building and worked with the residents where she managed. She wanted to keep her office in the neighborhood so people who lived in the housing could easily meet her. She knew that the new building that was going to be her office didn't have a parking lot and that they might have to park a distance, but it was more important to her that people who lived in their housing could meet with her in a place that was handicapped accessible. Bus routes were convenient to the office for people to meet her easily, which was more important than the parking lot. The people who worked at PPL worked hard to make the area around the properties better, they did not make problems for their neighborhood or neighbors. They would not create problems if they moved to a new office.

Karen Law, PPL employee, 2527 Columbus Av., indicated that she was speaking as a property owner in the Phillips neighborhood. She had lived and owned rental property for the last 12 years. She lived in the property with her husband and two children from 1990 to 1999 and they continued to own it as a rental property. The property they owned was immediately adjacent to PPL's parking lot and was directly across the alley from PPL headquarters. They posted "no parking" signs on the two paved off-street parking spots as they could be easily confused for PPL parking. They had never had an issue with parking. PPL staff and/or visitors had always demonstrated respect for their property and parking spaces. She had been an active member of the community and had a vested interest and concern for what happened in Phillips. She also served as neighborhood representative with People of Phillips in the early 1990's and helped to organize and start the Wendell Phillips Credit Union, now City County Credit Union and served on the board for six years. She could state, without reservation, that after 12 years PPL continued to be a good neighbor.

Robert Hinck, Trinity First Lutheran Church member, 1115 East 19th Street, stated that he was speaking on behalf of PPL and their proposed project. The Church was in discussion with PPL regarding coming to terms on a proposed shared use agreement for some of their property to be used for parking for this project. As an architect for the development of this site, he encouraged the Commission to strongly consider a variance because to reuse the site for any type of viable business, there was currently no available on-site parking. He thought that they were acting responsibly trying to address the issue of parking and working with the neighboring businesses to come to terms to provide reasonable solutions.

Vice President Bradley asked how close the church was to securing a "cross-use agreement" with PPL?

Mr. Hinck replied that they were reviewing preliminary proposals as drafts for what a cross use agreement would be in terms of who was taking the responsibilities for maintenance and as far as the actual parking lot, who was going to take care of it.

Vice President Bradley asked if there was a timeline for them to come to agreement, a month or six months?

Mr. Hinck responded that they hoped that it would be within a six month period and they were looking at it being something handled in the spring. They were under the impression that fit the timeline they were talking about for development of this project.

Commissioner Nestingen asked what the number of parking spaces would be available?

Mr. Hinck replied that the portion of property that they were talking about was located at the corner of 13th and Franklin and it would be approximately 17 or 18 parking spaces. It was currently not used as a parking lot. They had an existing garage there and they were talking about working with them to remove the garage and use that for parking area.

Vice President Bradley clarified that an existing building would be torn down and it would become a surface parking lot?

Mr. Hinck replied that was correct.

Abdinneli Adan, PPL Business owner, 1922 Chicago, stated that he was supporting PPL to have another property. They were very nice people and were not disrupting any neighbors.

Ray Peterson, 2111 13th Av. S, Chair of Ventura Village, stated that they supported the staff recommendation. The parking was a major issue. They mentioned that they currently had 68 spaces and were going to an area where there were zero spaces with the potential of maybe having 17 spaces. They had worked with Theresa Carr two years ago to get a variance so that they could redesign their parking lot and they had a variance that allowed them to have less parking than they actually needed for their shopping center. He was confident that they didn't have extra spaces there, at least according to the zoning. This would put a big amount of pressure on the surrounding residential with this much parking coming into the community where there were essentially no spaces. They would prefer to see a use that might not put that much parking demand on the building.

Janet Graham, 2101 10th Av. S, Vice Chair of Ventura Village, indicated that she lived across the street from the block where they wanted to take the residential yard and make it into a parking lot. This little yard needed to be residential. Now it was behind a house and the reason that Spolinsky Jacox was having a problem or did have a problem was because it was a vacant lot. It belonged to the house on the front side that faced East 21st Street and that lot would become the back yard of that house. All of the other houses on that block went back that far and that was what the use of that lot should be. It should be part of that house and it should be residential. You do not put parking lots in a residential area. This building has no parking. If they put in 60-70 people, those people would park on the streets. No matter what they say or think, they were going to park on the streets where they lived. The housing in that community was duplexes and four-plexes and those buildings were built without garages, they were built without off-street parking so the residents had to park on the street. They had to. As far as the Trinity parking was concerned, there was a building there. Trinity uses the lot that they had as a playground for their children because

they had a school. She had a note saying that the church would limit the usage of that lot to a five year period. What are they going to do after five years? The AIBDC lots were full now, yes because they were working on another portion of the parking lot, but that parking lot was going to be finished soon and there would still be a shortage because they had redone the parking lot and there would be a smaller parking space than there was before and they had new businesses going in, there was a clinic that would bring in more people. As far as drawing business to the coffee shop and Walgreen's and Maria's, Chicago and Franklin was two or three blocks away and those people went there anyway to buy their coffee and go to lunch. PPL owned the building and shopping center at Chicago and Franklin and they needed to take care of the businesses that they had there. They had a building and they needed to fix that building. As far as handicapped accessibility, that building at Chicago and Franklin could be handicapped accessible if they fixed the first floor. There was absolutely no reason why they could not fix the first floor of the building at Chicago and Franklin, they already had parking there. They had the whole back side that went up to Central Chicano Cultural for parking. She didn't understand why they needed to do that building where there was absolutely no parking. What needed to be there were businesses like the building was built for, a hardware store where someone picked up what they needed and leave. A Domino's Pizza where they picked up what they needed and leave. A Mail Box Etc. where they picked up and leave, then you can have parking on the street because there was some space on 11th Avenue where people could park on the street, but there were no parking lots available.

Gayle Albee, 2220 14th Av. S, stated that she did not own a car and was not worried about anybody parking in her spot, but she did walk and bus around the neighborhood. She first came across 2112 11th Avenue when she was doing some work on their gardening lots and green spaces. It looked like the back yard of the house it was behind and the house had very little yard wrapped around it because it originally had that as a back yard. Her understanding years ago when she first came across it in the inventory and up until just a few moments ago was that the property owner had been trying to buy that as a side yard. She came to speak in favor of that and in support of the staff's recommendations that it be sold as a side yard to that property owner. In terms of it being made into a parking lot, you could get five cars in there if you could get a crane to pick them up and set them down if you didn't want any fender benders in the process, it was very small. It was higher up off the ground, so they would have to take away some of the space to build a retaining wall. There was so little green space left especially as they struggled with trying to expand the housing and spaces. Keeping it as a green space for the house and a residential space would be a real advantage to the neighborhood. The only other piece she had to add was that she had seen a presentation on the parking ramps proposed by Abbott Northwestern Hospital and there was a concern that the ramps construction was supposed to being in 2004 would not be large enough to accommodate the needs for their patients and their staff by the time it was completed, that they may have to put in a request to add floors to that parking ramp.

Vice President Bradley noted that the Abbott Northwestern issue was not before the Commission.

Ms. Albee stated in terms of sharing the parking spaces.

Vice President Bradley added that staff did not make a recommendation that the MCDA sell this lot to the homeowners.

Ms. Albee replied that she understood, the recommendation was that it not be made into a parking lot and she was supporting that, that it be made a side yard to the house.

Vice President Bradley stated that the Commission was clear that some people were in support and some were opposed. He requested only new information.

Gregory Luse, Executive Director of Project 504 a housing related neighborhood organization that officed in the Ancient Traders Market (ATM) and also a member of Ventura Village, stated that he could shed some light on why there may not be any opposition from Ventura Village meeting to the non-profit and that was if you disagree with decisions or things being proposed by members of Ventura Village, you are treated with hostility and anger. From his experience with Project 504, they had been banned from putting anything on the agenda at Ventura Village or anything that received their support could not receive support from Ventura Village. He wanted to shed some light on that because he did not believe that Ventura Village was representative of the neighborhood.

Vice President Bradley requested that Mr. Luse speak to the issue before the Commission, approval or denial of the variance and rezoning, not so much issues of Ventura Village.

Mr. Luse replied that he had been driving to the ATM building for three years and was one of the original businesses in the building. He had never had a parking problem. When there was construction and the number of parking spaces available to businesses was reduced, he still did not have a parking problem. He would welcome more parking on the street along Franklin or along 11th Avenue. This was a city, not a suburb, and they deal with cars every day. There would be more people and eyes on the street which was a critical component of Ventura Village. He supported the variance and asked in the Commission deliberation, that they give weight to what he said as well as from someone with a business across the street.

The public hearing was closed.

Anderson, staff, noted that there was some additional information the Commission needed to have before deliberation. First, it was discovered by staff that the small piece of property that they wanted to put five parking spaces on was divided some time in the past by a meets and bounds description, not by formal platting or minor subdivision process. Staff was still trying to find out exactly when that occurred because if it occurred after 1966, then it circumvented the processes of the City and would have to go through the City to formally be divided. If it was done before 1966 when there were subdivision regulations, there was nothing the City could do about it. Staff was unsure how it was done and needed to find out from the County. Secondly, staff discovered just before the meeting from the MCDA that they were in the process of trying to sell the property to the homeowner at 2018, directly to the South of the lot. The homeowner had been trying to buy the property for a number of years, but the MCDA had indicated that they were offering to sell the lot to that individual. If that occurred, the rezoning of that property to C2 would not be needed because it would not be used for a parking lot. It

would also mean if it did not become a parking lot, that instead of the variance having to go from 30 to five spaces, it would need to go from 30 spaces to zero. If the Commission was going to approve this project, they would need to approve a variance for zero parking spaces. Finally, if this project went forward and somewhere down the line the applicant was able to obtain leased parking spaces in the neighborhood, if the spaces were over 350 feet away, they would need to obtain a variance. They would also need to provide parking leases specifying how long they could have the parking spaces with a 90 day notification clause indicating if they were going to end the parking lease, they would need to provide 90 day notice to the city so they could find additional parking. Staff had recommended denial, but there were a couple of questions that had not been answered satisfactory and he asked if the Commission would entertain continuing this until those questions were answered or if they wanted to move forward. He wanted the Commissions to be aware of the information that was received late that afternoon.

Commissioner Krause motioned, Young seconded not withstanding staffs recommendation to **approve** the application to rezone the property at 2012 11th Avenue South from R2B to C2.

Commissioner Johnson stated that with the new information, she felt she would like to have an answer about the separation of the land from the adjoining property. She would have a difficult time moving forward without having that information. If the MCDA owned the property and was selling it to someone else, she didn't understand how the situation with the parking for PPL was even something they needed to be considering. It may be a moot point because it was owned by someone else. Had the sale taken place or was it about to take place?

Dorek, staff, replied that he spoke with Edie Oates at MCDA just prior to the meeting. In 1981 MCDA acquired that 2,800 square foot parcel. At some time in the past it had a house on it that was demolished or burned down. The MCDA was in negotiations with Mr. Meldahl. They paid \$16,000 in 1981 for that property. Mr. Meldahl recently offered them \$1 for the property. Edie Oates expected to get an offer of about 10% of what they paid for it. She said when they got an offer of \$1,600 from the property owner, they would sell it to him. He realized that the MCDA had a board of Commissioners, but that was what staff told him, that when they got an offer of \$1,600 they would sell it to the adjacent property owner for use as a side yard.

Commissioner Johnson indicated she also had concerns about the 17 to 18 spaces at the Trinity parking lot and if there was a building there. Further down the road would that require zoning changes or other considerations that they didn't know about that may or may not come into this decision?

Anderson, staff, replied that presently they were not looking at those spaces that were at Trinity or anyplace else because the applicant had not come forward with a viable agreement with any other property owner. They were asking for a variance down to five parking spaces with this side yard or down to zero if the side yard were not part of it. If they tried to acquire those spaces in the future, they would have to look at whether or not the spaces that were there were required for another use on the site or whether it could be shared parking. They would need to come back before the Planning Commission for approval of the parking leases and the parking lots would have to come into conformance with the site plan review standards in Chapter 530, landscaping and curbing would need to be established on those lots. They were not dealing with that at this time.

Commissioner Schiff stated that the original staff report said that the MCDA supported the rezoning. He asked staff to clarify what was going on at the MCDA if they indicated that they supported the rezoning and then they were trying to sell the property?

Dorek, staff, replied that the letter of support was dated in July. Since then something must have happened and the MCDA would provide no details. Now they were highly amenable to selling it to the adjacent property owner if they got what they considered to be a reasonable offer, that was what he was told by Edie Oates.

Vice President Bradley asked if there was anything in writing from MCDA?

Dorek, staff, replied not other than that letter.

Commissioner Schiff requested the Planning Department or Planning Commissioners in the future when they were dealing with an MCDA owned property that they demand and expect that MCDA staff be present to answer questions. He found it unacceptable that MCDA was projecting such mixed messages to this body. Until MCDA was completely merged with the Planning Department, and there was a single stream of accountability, that was the way they needed to operate. He asked why the application was to a C2 rezoning rather than a C1 or a temporary parking overlay district?

Dorek, staff, replied that he assumed that the applicant was advised by the Zoning office that because the larger office building was zoned C2 to move that zoning over. He was unsure on the Transitional parking overlay district (TPOD), he believed there was a minimum requirement for lot size and dimension that a TPOD probably wouldn't be viable in this particular case. He thought there might be TPOD requirements that would not allow that.

Anderson, staff, noted that this was zoned as residential and for them to convert it from residential to commercial they needed to get the signatures of the property owners within 100 feet to make application. If the zoning office accepted it as an application to C2 and the applicant got the signatures for that, if they would now go to the transitional parking overlay district, the applicant would need to obtain new signatures for that. That was probably the reason staff didn't recommend that they go to C1 or the TP overlay because in either case they would have to obtain new signatures.

Commissioner Schiff indicated that they had applied for a variance from 30 down to 5, could the Commission approve 30 down to zero or would that have to be re-notified for public hearing?

Anderson, staff, replied that he believed it could be varied down to zero. It was noticed down to five, but he thought the Commission could make the decision to go down to zero.

Commissioner Schiff asked if the re-use of this building hinged on those applications? He had heard conflicting information sending a message that if they didn't approve this today, the building would be shuttered.

Anderson, staff, replied that his understanding was if they used all of the floors of the building minus the basement, they would not need to have the variances and they would not need to provide any parking. They would not need the lot behind the building to be part of this. They could do the project if they left the basement as storage without coming through the process.

Commissioner Schiff noted in their application, they showed six people with basement spaces, was that correct? This was a one to one parking ratio for each of the people in the basement or was it for visitors and people with disabilities?

Dorek, staff, replied that the intent of the use of the lot would be for people with disabilities.

Commissioner Schiff asked employees with disabilities or visitors with disabilities?

Dorek, staff, replied he was unsure of that. It would be a parking lot for that building and he believed it was to provide disability parking.

Commissioner Schiff asked the applicant to clarify. He was seeing that it was the six people who had offices in the basement that required the extra five spaces.

Dorek, staff, responded that the extra five parking spaces had nothing to do with it. Using the basement required 30 parking spaces. The first two floors were completely grandfathered for parking. If they wanted to just use the first two floors and leave the basement out, there would be no applications before the Commission. Use of the basement kicked in the additional parking requirement. The applicant indicated that the five parking spaces would be for handicapped parking and visitor parking, but not particularly for the basement.

Barbara McCormick, PPL, replied that the concept of using that space for handicapped parking would be for both employees and visitors who would otherwise be getting out of cars on the street with mobility impairments and they didn't regard that as particularly safe. It was not specifically tied to the basement. She reminded the Commission that as they discuss their ability to move forward, if they were just going to use the basement for storage, it would not address the fact that meant that there would be a number of parking spaces and employees who would have to find parking in order to be able to work in the building. They could avoid the formal process, but they still wouldn't have solved the problem of where people would park. The cars would not go away even if they avoided the variance.

Commissioner Schiff noted that he heard Mr. Schebel say repeatedly that this was for handicapped spaces, but in the document before him, he only saw one of the five spaces labeled for handicapped parking. Were they all handicapped or how many were?

Ms. McCormick replied that their preliminary designs showed just one, but their intention would be to reserve it for people with handicaps.

Commissioner Schiff asked if they followed up with the Public Works Department for a request to add meters on 11th Avenue South? That could be another way to handle visitors.

Ms. McCormick replied that they hadn't done that yet.

Commissioner Schiff suggested that they do so, couple of meters on 11th Avenue South between the side of the building up to Franklin could provide additional temporary parking for visitors and might decrease the need for the parking lot as much as otherwise would be required.

Commissioner Young asked if there would be an entrance from the back from the handicapped visitor parking spaces?

Ms. McCormick replied yes.

Commissioner Young stated that she wanted to answer Commissioner Schiff's question in the fact that Edie Oates of the MCDA staff had been working on housing issues in Phillips for many moons. Oftentimes, they become very complex and tend to go with the sway of the neighborhood. It didn't surprise her that all of a sudden this would come in after the fact, because that was sometimes how Ms. Oates liked to operate. One of the things that they were supposed to be doing was looking at a new way to do business in Minneapolis. She felt this area was a mixed use area, not a totally residential area or a totally commercial use area, it was a mixed use area. She noted that it was only four (very long blocks) to the LRT stop and hopefully some of the PPL employees would take the LRT. In her previous work in Phillips she went all over the country and talked about the great changes that were happening in Phillips, and gave a demographic study. Part of the demographic studies that they talked about was that 60-70% of Phillips residents didn't own cars. They had been talking about the 70 employees, but she wanted to talk about everyone else that used PPL and their services. A lot of people that would be going to that area to talk to people at the headquarters, it was not just those 70 people, it was a lot more people. It was her understanding that one of the uses for the basement was going to be a community room that could also be a board room. PPL had a very large Board of Directors and a very large donor base that goes to the headquarters. Those were the same people that had dollars that they wanted to have spent on Franklin Avenue. They were the ones that were going to eat at Maria's and whatever new restaurants and new coffee shops go there. It was a variety of people, not just the 70 employees. She thought there was always a way to look at shared parking spaces. Very little development had happened on the North side of Franklin and if they looked at the Ventura Village plan and AIBDC's plans, by the time you get to what is going to happen on the North side of Franklin, her guess was that there would be plenty of parking for everyone. She debated with people about how full the Franklin Circle shopping center was, she was there 3-5 times a week and even though she had handicapped parking, she knew that there was always a parking space at this point in time. She was the first president of the Whittier Community Development Corporation and they had a strategic planning session about how to improve and make Nicollet Avenue better. They had dreams and one of the things that came up (about 25-30 years ago) was that a problem would be that when they cleaned up Nicollet they would end up having parking problems. She would submit that people go to Nicollet Avenue and to Eat Street for dinner and tell her that there wasn't a parking problem. That was a blessing in disguise of how you clean up a street. Even though there were technicalities, she thought Ventura Village was wrong on this one. She was not sure of the meeting dynamics, but Project for Pride in Living was helping thousands of people in the City of Minneapolis and they needed their headquarters, they had been there forever and needed to be in Phillips. She

would support Commissioner Krause's proposal and anything they could do to make it amenable to have PPL take this space. There would not be anyone else who would use that building. She knew that AIBDC had looked and looked and if they didn't take PPL on their offer, they were going to have a boarded up building and continue having more of the same problems. She asked the Commission to think about reversing the staff denial and to try to make this an amenable situation.

Commissioner Nestingen asked if Mr. Meldahl or a representative was present so they could ask him some questions?

It was noted he was not in attendance.

Commissioner Nestingen asked if the lot at 2018 was not buildable at its current size?

Dorek, staff, replied correct it was too small.

Commissioner Nestingen indicated if there was a way to have a buildable lot and a parking space and because the property was in nebulous, would it take the whole parking lot to make 2018 buildable?

Dorek, staff, replied that presently there was a house at 2018. The issue was not that 2018 would be buildable or not. It used to be side yard or back yard to the other lot. It was taken off at a time when there wasn't land subdivision regulations and a small house was built. At some point in the past that house went away and what was left was a lot that was too small to be built on. 2012 was too small. It was 2,800 square feet and couldn't be built on. It could be used only for a rezoned parking lot or side or back yard for the existing residential from which it was originally taken.

Commissioner Nestingen stated that he would not support Commissioner Krause's motion to approve the rezoning. He would want some compromise on the parking and thought that Commissioner had a good idea with the handicapped, they needed some accessible spaces near the building. PPL also should negotiate for parking spaces within 350 feet. And then there should be clarification of the MCDA sale and if that sale could include some space at the rear for one or two spaces.

Vice President Bradley noted that the Commission had the opportunity of varying the parking requirements from 30 down to zero which would remove the lot from the conversation. From the Planning Commissions point of view, they would leave it between PPL, Mr. Meldahl and MCDA to resolve. That was another way to get some compromise that the Commission didn't need to be involved in.

Commissioner Hohmann stated that he too would like to see some innovation and compromise. It seemed like they could vary it to zero given that the LRT was four blocks away and there were several bus routes in the immediate area. There was the opportunity for shared parking. He hadn't heard anybody mention the opportunity for the employer to go to MTC and work out a deal to get bus passes for their employees. He also didn't see any reason why they couldn't go to a zero additional parking requirement contingent on a contract for shared parking, possibly bus passes for employees and combining that with the LRT in a few years and he didn't think there would be a problem. He agreed with the idea that when the streets were busy and people were fighting for parking with money in their pocket, it was a good thing.

Commissioner Johnson asked with handicapped parking, was it possible that there was parking available on 11th Avenue South, could they designate one or two of those space handicapped parking?

Anderson, staff, replied that the City had signage that Public Works could put up indicating that it was handicapped parking use, although any parking on the street would not count toward fulfilling the parking requirement of the Zoning code.

Commissioner LaShomb stated that he would support the motion. He thought that compromise had occurred and that PPL was trying to make a serious effort to do transit, which was in their proposal. They were trying to work to get off-site parking with Abbott Northwestern Hospital and that was compromising and they were working with the church. His reaction was that if they didn't want buildings on Franklin Avenue that were boarded up, they needed to make some concessions once in awhile. He would rather have a viable business with 70 people and if the price was five parking spaces, that was a small price to pay. The second logical thing was that the spaces were for individuals who were handicapped, if you put them on the street in handicapped zones, it would be blocking parking on the street for other people which didn't make any sense. What it came down to was what was Franklin going to look like? If you want a bunch of boarded up buildings so that they could have people showing videos of the area of Minneapolis' bad neighborhoods, that was fine with him. Economic growth required some sacrifices which was one of the unfortunate realities. Five parking spaces on a 2,800 square foot lot was not much of a concession for the community to have to make.

Commissioner LaShomb called the question.

Vice President Bradley stated that he was going to go back to Commissioner Krause because it was his motion.

Commissioner Krause stated that the reason that he supported the rezoning was that he didn't think that this was particular to this applicant. He thought that any use proposed for this building would need the parking. There was a public purpose in allowing handicapped parking to be in close proximity to an entrance to the building. He disagreed with the staff findings that this was particular to the applicant, he thought it would be required of any use that would be viable in that building and that was why he thought rezoning was appropriate. Take Commissioner Young's history on Nicollet Avenue, if they did get to a point where parking was a serious problem on Franklin, he went to Maria's a few times a month and there for coffee and was a member of the credit union and went to that facility, there was not a parking problem there now in that parking lot, even with the construction. If they did get to that point, they would be very glad that they found at least five parking spots and secured them permanently by the rezoning. That was why he thought the rezoning as opposed to a variance from 30 to zero was a more appropriate action.

Commissioner Schiff stated as a point of order that the Commission could not rezone a property against the wishes of the owner, which in this case was the MCDA. If the MCDA Board of Commissioners wished to sell this as somebody's back yard, then it would be sold for that purpose. This would ultimately lie at the MCDA Board of Commissioners meeting. He would vote for the motion to rezone and also for the variance. He was struck by one of the comments from a speaker saying that you don't put parking lots in residential areas. He disagreed with the staff report that he thought that the predominant character of this area was a commercial corridor, one that the City of Minneapolis and neighborhood had long toiled to make useable and to revitalize for a long time. He remembered when they rezoned and tore down two single family homes next to Ace Hardware on Nicollet and 38th Street because everybody acknowledged that a parking lot was essential for a hardware store, nobody takes a bus to buy a sink. If you look at the Planning Commission agenda items #5, 6 and 7 on Lake Street, the Paco building, it was rezoning of a residential lot behind a commercial building on a commercial corridor and he couldn't find the difference between the two applications and on those applications staff had recommended approval. Here staff was recommending denial. He found that very interesting because he thought that parking lots adjacent to commercial buildings on commercial corridors were a perfectly reasonable use and he didn't think it stood in stark contrast to the residential character of this area.

Commissioner Johnson indicated that she couldn't support this motion because she felt that they should continue it. The end of the 120 day decision period would be December 14th and if MCDA had signed a purchase agreement with another individual, then this was for nothing. If it was continued, they would get the information that they needed later.

Vice President Bradley indicated that there was a motion on the floor to approve the application to rezone the property at 2012 11th Avenue South from R2B to C2, based on the following findings: 1) Same as staff; 2) Same as staff; 3) Remove "use of the parcel as side yard for existing residential use would be more compatible with residential uses then would a small commercial parking lot; and 4) Same as staff. Carried, Commissioners Johnson and Nestingen voted no.

10. **1033 East Franklin Avenue (6th Ward - BZZ-770, Variance)**

Application by Project for Pride in Living for a variance of required parking from 30 spaces to five spaces (77 total spaces required for 27,000 square foot building, 47 grandfathered spaces = 30 additional spaces required) for a 5-car surface parking lot serving the proposed renovation of a two-story office building. This item was continued at the September 9 and October 7, 2002 meetings. (Staff, Gary Dorek)

The public hearing was opened.

See discussion in item #9 above.

The public hearing was closed.

Anderson, staff, noted that he would need findings for the variances if the Commission went against the staff recommendation.

Commissioner Schiff indicated that he was going to move that they approve the variance from 30 down to zero because this lies in the hands of the MCDA Board of Commissioners and should they sell this property to somebody else, the applicant would have to go through the process all over again. This parking lot would become optional if this motion passed and would still supply five parking spaces, but the variance would be granted down to zero. He would recommend that two of the spaces be painted for handicapped parking.

Anderson, staff, commented that the handicapped parking spaces were required to be wider than the 8 1/2 foot of normal parking spaces. If there was additional handicapped parking spaces in that lot, he was unsure if that would reduce the number of parking spaces in the lot.

Commissioner Nestingen asked if the MCDA sold the lot to Mr. Meldahl, did the Commission just rezone it?

Commissioner Schiff replied no, the rezoning would be approved by the City Council and the sale of the property would be approved by the MCDA Board of Commissioners, which was the same group of people. It was up to that group of people to decide who to sell the property to and whether or not to approve the rezoning.

Commissioner Schiff motioned, Krause seconded not withstanding staffs recommendation to **approve** the application for a variance of the required parking from 30 spaces to zero spaces (77 total spaces required for 27,000 square foot building - 47 grandfathered spaces = 30 additional parking spaces required) for the property at 2012 11th Avenue South, based on the following findings:

1. The building has grandfather rights for 44 parking spaces based on 18,000 square feet of office use. Because the building is lot line to lot line, any use of the building would require a variance in parking.
2. **The circumstances are unique to the parcel of land for which the variance is sought and have been created by any persons presently having an interest in the property. Economic considerations alone shall not constitute an undue hardship if reasonable use for the property exists under the terms of the ordinance.**

Parking: The building was constructed in 1919, before there were parking requirements or parking problems. The building is a typical 2-story storefront office/commercial structure, built without accessory parking, and the variance is needed to utilize basement space.

3. **The granting of the variance will be in keeping with the spirit and intent of the ordinance and will not alter the essential character of the locality or be injurious to the use or enjoyment of other property in the vicinity.**

Parking: The intent of the ordinance is to provide parking for a proposed use, and the protect the surrounding area from adverse impacts. Both on-street and off-street parking in the area is in short supply.

4. **The proposed variance will not substantially increase the congestion of the public streets, will not increase the danger of fire, would not detrimental to the public welfare or endanger the public safety.**

Both variances will add to the demand for parking in the area. PPL will be attempting to obtain shared or leased parking from area institutions, and will use Metropass to encourage employees to use public transit. The number of employees to be housed in the project, even if the variances are denied, may be the same.

Carried. Commissioners Johnson and LaShomb voted no.

11. **1033 East Franklin Avenue (6th Ward - BZZ-770, Variance)**

Application by Project for Pride in Living for a variance of floor area ratio from 1.7 to 2.04 (building with rezoned lot) or 2.59 (building without rezoned lot) to allow renovation of a two-story office building. This item was continued at the September 9 and October 7, 2002 meetings. (Staff, Gary Dorek)

The public hearing was opened.

See discussion in item #9 above.

The public hearing was closed.

Commissioner Schiff motioned, Krause seconded not withstanding staffs recommendation to **approve** the application for a variance of the floor area ratio from 1.7 (allowed in C2) to 2.04 for the property at 2012 11th Avenue South, based on the following findings:

- 1) Same as staff report;
- 2) Same as staff report;
- 3) To use the entire building, a variance in the FAR is required.
- 4) Both variances will add to the demand for parking in the area. PPL will be attempting to obtain shared or leased parking from area institutions, and will use Metropass to encourage employees to use public transit. The number of employees to be housed in the project, even if the variances are denied, may be the same.

Carried.